



Dave Lambertson
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COUNTY OF LOS ANGELES

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To enrich lives through effective and caring service.



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June 17, 2004

Agenda Date: June 29, 2004

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**PUBLIC HEALTH LABORATORY RELOCATION PROJECT
APPROVE REVISED PROJECT BUDGET, APPROPRIATION
ADJUSTMENT, AND AMENDMENT
3 VOTES
C.P. Nos. 86602 and 86713**

**JOINT RECOMMENDATION WITH THE CHIEF ADMINISTRATIVE OFFICER AND
DIRECTOR OF HEALTH SERVICES THAT YOUR BOARD:**

1. Approve the revised total project cost of \$12,375,000 for the Public Health Laboratory Relocation Project, including the incorporation of a Chemistry Laboratory as requested by the Center for Disease Control and Prevention (CDC).
2. Find that the incorporation of a Chemistry Laboratory into the Public Health Laboratory Relocation Project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA).
3. Approve the attached appropriation adjustment in the amount of \$3,305,000 to reallocate existing CDC grant funds of \$1,505,000 and associated revenue and \$1,800,000 in existing one-time only net County cost salary and employee benefits savings from Public Health Services (Attachment A).
4. Approve and authorize the Interim Director of Internal Services Department (ISD) to execute an amendment to the Board approved contract with API Consultants for a fee not to exceed \$100,000 to provide the required architectural and engineering services for incorporation of the Chemistry Laboratory into the project.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Background

On May 27, 2003, your Board established Capital Project No. 86602 to relocate the Public Health Laboratory from 313 North Figueroa Street to the Rancho Los Amigos South Campus. The purpose of the relocation is to expand and modernize the current laboratory and provide enhanced capabilities. The appropriation for this project is \$9,070,000, funded from a CDC grant.

The original provisions of the CDC grant required the project be completed not later than October 31, 2004. To meet that completion date, selected site preparation activities commenced based on approved, preliminary design documents. Final design documents were completed in May 2004. To date, project expenditures total \$2.6 million.

Chemistry Laboratory

In March 2004, the CDC requested that a Chemistry Laboratory be incorporated into the project. The CDC reallocated an additional \$605,000 of grant funding to cover the cost of design and construction of the Chemistry Laboratory. Further, the CDC requested the Chemistry Laboratory be constructed within the relocated Public Health Laboratory building to ensure its integral operation within the Laboratory complex. Administrative space within the complex will be reduced to accommodate the space required by the Chemistry Laboratory. The Chemistry Laboratory provides equipment for continuation of the blood lead testing program and improved analysis of heavy metals.

With the incorporation of the Chemistry Laboratory, the CDC has granted a six-month project extension. This extension is required to satisfactorily incorporate the design and construction of the Chemistry Laboratory into the project. The scheduled completion date for the combined project is now April 30, 2005.

Laboratory Benches and Furnishings

The CDC has approved funding of \$900,000 in the 2003-04 grant, specifically earmarked for laboratory benches and other laboratory furnishings, which will be installed in the relocated laboratory.

Additional Funding Requirements

During the design phase of the project and during site preparation activities the County identified project requirements that were unanticipated or unknown when project funding was originally allocated. To adequately address these requirements, approximately \$1.8 million in additional project funding is needed. These costs are in addition to those associated with incorporating the Chemistry Laboratory and incorporating the funding for the laboratory benches and consist of the following:

- Approximately \$1.1 million is associated with providing the laboratory building with a satisfactory mechanical system. During the design phase, it was determined that the proposed project would require a larger building mechanical system than was identified at the project's onset.
- Approximately \$0.7 million is associated with the project's utilities support requirements. During site preparation, it was discovered that the location and capacity of existing utility systems are inadequate to support the project. This results in unanticipated costs associated with relocating utilities and higher costs to increase the capacity of power and water service to the building.

The conditions that led to these increased costs were unknown when the project's funding was originally allocated. In addition, there was no practical way to predict this increase until preliminary design documents were prepared and actual site preparation activities commenced in January and February 2004.

The Chief Administrative Office, in conjunction with the Department of Health Services and the Internal Services Department, will continue to monitor project design and construction progress and maintain oversight of project expenditures to ensure completion of the project within the revised estimated total project cost of \$12,375,000.

Implementation of Strategic Plan Goals

The recommended Public Health Laboratory Relocation Project supports the County's Strategic Plan goal of Service Excellence by better equipping Public Health to serve County agencies and residents.

FISCAL IMPACT/FINANCING

Total project costs are approximately \$12,375,000 with \$9,070,000 funded from a \$24,500,000 grant from the CDC approved by your Board on April 16, 2002, \$605,000

for the Chemistry Laboratory and \$900,000 for the laboratory benches and furnishings from the CDC FY 2003-04 grant approved by your Board on August 26, 2003 and \$1.8 million in existing one-time only net County cost salary and employee benefits savings from the Public Health FY 2003-04 budget which will be reallocated to satisfactorily complete the project. Project funding is included in Public Health's FY 2003-04 budget.

Approval of the attached appropriation adjustment is necessary to reallocate existing funds from the Public Health Services Budget to the Public Health Laboratory Relocation Project. C.P. No. 86713.

As noted when the Board approved this project, there will be no change in the operating costs resulting from the relocation of the Public Health Laboratory, nor will the number of employees or basic laboratory operations be affected.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Once approved and authorized by your Board, ISD will execute an amendment to the contract with API Consultants for a fee not to exceed \$100,000 to provide the necessary architectural and engineering services required to incorporate the CDC requested Chemistry Laboratory into this project. The amendment will continue the contract's requirements, specifications, and conditions.

ENVIRONMENTAL DOCUMENTATION

The incorporation of the Chemistry Laboratory to the project has been reviewed and determined to be categorically exempt under CEQA, Section 15301 (a), and under 1 (d) of the County of Los Angeles Environmental Document and Guidelines adopted by your Board on November 17, 1987.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The design and renovation phases of this project will have no impact on current County services. Relocation of the Public Health Laboratory will take place following completion of the renovation, and no significant interruption of laboratory services is anticipated.

There will be no negative impact to County employees.

The Honorable Board of Supervisors
June 17, 2004
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CONCLUSION

Please return one copy of this letter to the Chief Administrative Office (Capital Projects), Department of Health Services, and the Internal Services Department.

Respectfully submitted,

Dave Lambertson
Interim Director

David E. Janssen
Chief Administrative Officer

Dr. Thomas L. Garthwaite
Director, Department of Health Services

DL:TT:rs

Attachment

c: Executive Officer, Board of Supervisors
County Counsel

COUNTY OF LOS ANGELES
REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S.
No.

DEPARTMENT OF Health Services

June 14, ~~xx~~ 2004

AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

ADJUSTMENT REQUESTED AND REASONS THEREFOR

3-VOTE

SOURCES:

Public Health Services
Salaries & Employee Benefits
A01-HS-23450-1000 \$1,800,000

Public Health Services
Services & Supplies
A01-HS-23450-2000 1,505,000

Various Capital Projects/Refurbishments
Public Health Laboratory
Relocation & Renovation Project
Federal - Other/CP
A01-CP-86713-8938 1,505,000
TOTAL: \$4,810,000

USES:

Various Capital Projects/Refurbishments
Public Health Laboratory
Relocation & Renovation Project
Building & Improvements
A01-CP-86713-6014 \$3,305,000

Public Health Services
Federal - Other
A01-HS-23450-9001 1,505,000
TOTAL: \$4,810,000

Justification:

This adjustment is necessary to reallocate existing appropriation and the associated revenue from Public Health Services to the Capital Projects Budget in order to incorporate a Chemical Laboratory within the new Public Health Laboratory (PHL). Costs that are associated with the Chemical Laboratory include the design, construction, laboratory benches and other furnishings. There is no impact on operating subsidy.

EM:lt
06/14/04

CHIEF ADMINISTRATIVE OFFICER'S REPORT

Efrain Munoz, Chief

DHS- Controller's Division

REFERRED TO THE CHIEF
ADMINISTRATIVE OFFICER FOR—

ACTION

RECOMMENDATION

AUDITOR-CONTROLLER BY

No. 19

APPROVED AS REQUESTED

AS REVISED

19

CHIEF ADMINISTRATIVE OFFICER

APPROVED (AS REVISED):
BOARD OF SUPERVISORS

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BY

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER